



# Department of Justice

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**WEDNESDAY, JANUARY 21, 2004**  
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**SHIPPING COMPANY PLEADS GUILTY TO FALSIFYING RECORDS REGARDING  
THE DUMPING OF WASTE OIL AT SEA; AGREES TO PAY \$4.2 MILLION FINE**

WASHINGTON, D.C. - Thomas L. Sansonetti, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division, and Christopher J. Christie, U.S. Attorney for the District of New Jersey, announced that a Connecticut-based shipping company that transports petroleum products in the United States and abroad pleaded guilty today to preparing false documents in an effort to cover up the illegal dumping of thousands of gallons of waste oil and sludge at sea.

As part of a plea agreement with the government, the company, OMI Corporation, stipulated that it will pay a \$4.2 million fine and serve three years of probation. U.S. District Judge Katharine S. Hayden, who took the corporate plea, scheduled sentencing for May 3.

The ship's captain, Ashok Kumar, and chief engineer, Elangovan Mani, pleaded guilty in May 2002 in connection with the case. (See District of New Jersey news release on May 10, 2002, at [www.njusao.org](http://www.njusao.org) ).

The ship involved in the case, the motor tanker Guadalupe, owned and operated by wholly owned subsidiaries of OMI Corporation, made port calls in the United States, Europe, the Caribbean and Latin America. Ships such as the Guadalupe generate waste oil and sludge in the process of purifying the heavy fuel oil that is used to power the ship. Like other ships, the Guadalupe was equipped with a system for processing this waste oil and sludge. Under this system, the waste oil and sludge is supposed to be burned in an on-board incinerator or off-loaded to shore or barge disposal facilities, Christie said.

In addition, the Guadalupe was equipped with an "oily water separator" system designed to process oily water that collects in lowermost compartments of the ship, also called "bilges." The clean water is discharged into the sea, but the oily bilge water is supposed to be sent to the system for processing waste oil and sludge. Under U.S. law, ships such as the Guadalupe that enter U.S. waters are required to maintain an "Oil Record Book" relating to the handling of oil produced in the engine room.

OMI admitted to Judge Hayden that, from around May to September of 2001, a chief engineer authorized ship engineers to bypass the incinerator and oily-water separator system on the Guadalupe, discharging waste oil, sludge and oily-water mixtures directly into the high seas. In an effort to conceal these oil discharges, false and fraudulent entries were made in the Oil Record Book relating to the handling and discharge of the waste oil.

On September 10, 2001, the U.S. Coast Guard boarded the ship in the Port of Carteret to conduct an inspection, and were presented with the false Oil Record Book, OMI admitted. In

addition, once he learned that discharges had taken place, the Captain of the ship participated in efforts to cover up what had happened, OMI admitted today.

Sansonetti and Christie credited Special Agents of the U.S. Coast Guard Investigative Service, under direction of Richard P. Deroche, Special Agent in Charge of the Northeast Region; EPA's Region II Criminal Investigation Division, Trenton office, under the direction of William V. Lometti, Special Agent in Charge; and the Special Agents of the U.S. Department of Transportation Office of Inspector General, under the Special Agent in Charge Ned Schwartz, with developing the case. The Government is represented by Assistant U.S. Attorney Mark R. Winston and Trial Attorney Christopher J. Costantini of the U.S. Department of Justice Environmental Crimes Section in Washington.

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